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Assistance to the Palestinian people

Report of the Secretary-General

Summary

During the period under review, the Palestinian economy continued to suffer hardship and decline. In the aftermath of Hamas's takeover of the Gaza Strip and the formation of a new Palestinian Authority Government under Prime Minister Salam Fayyad, the West Bank witnessed some modest economic recovery. The Gaza Strip, however, continued to experience drastic economic decline and private sector collapse due to a near-complete closure. There was significant progress in reform and pledges from international donors in the amount of $7.7 billion for a three-year period to enable the implementation of the new Palestinian Reform and Development Plan.

These developments reflected the de facto political split between the West Bank and the Gaza Strip from June 2007 onwards. While bilateral political negotiations resumed between the Government of Israel and the Palestinian Authority in the context of the November 2007 Annapolis conference and the parties committed to reaching an agreement by the end of 2008, the situation in and around Gaza was characterized by near-daily rocket fire against Israeli targets and Israeli aerial attacks and military incursions.

The present report describes efforts made by United Nations agencies and programmes, in cooperation with Palestinian Authority and donor counterparts, to support the Palestinian civilian population and institutions.

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** E/2008/100.

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I. Introduction

1. The present report is submitted pursuant to General Assembly resolution 62/93, in which the Assembly requested the Secretary-General to submit to it at its sixty-third session, through the Economic and Social Council, a report on the implementation of the resolution, containing an assessment of the assistance actually received by the Palestinian people and of the needs still unmet and specific proposals for responding effectively to them. The reporting period was from May 2007 to April 2008.

2. Information on the living and socio-economic conditions of the Palestinian people is provided in reports prepared by United Nations agencies, in particular (a) the report of the Economic and Social Commission for Western Asia on the economic and social repercussions of the Israeli occupation on the living conditions of the Palestinian people in the occupied Palestinian territory, including Jerusalem, and of the Arab population in the occupied Syrian Golan (A/62/75-E/2007/13); (b) the annual report of the Commissioner-General of the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA);[1] and (c) the Humanitarian Monitor reports of the Office for the Coordination of Humanitarian Affairs.

3. Throughout the year, the Office of the United Nations Special Coordinator for the Middle East Peace Process and Personal Representative of the Secretary-General to the Palestine Liberation Organization and the Palestinian Authority continued its efforts to support the peace process and to ensure effective coordination between the Palestinian Authority, the United Nations, the international community and the Government of Israel, as well as to document the economic and social conditions in the occupied Palestinian territory.

4. The present report provides an overview of the work of United Nations agencies, in cooperation with Palestinian and donor counterparts, to assist the Palestinian people and institutions, as described in General Assembly resolution 62/93. Also included is a summary of key political developments and challenges relevant to the reporting period as the international community responds to the crisis and works to alleviate the suffering of the Palestinian people and to support progress in the political process between the parties.

II. Overview of the current situation

A. Political context

5. Factional rivalry and clashes between Hamas and Fatah, which had begun in 2006, continued during 2007. Following a series of declared truces between the factions, President Abbas and Prime Minister Haniyeh met in Mecca in February 2007 under Saudi Arabian auspices to agree to the formation of a national unity Government. However, renewed fighting erupted, and in June 2007 Hamas forces took control of the Gaza Strip. President Abbas appointed a new Palestinian Authority Government under Prime Minister Salam Fayyad. The new Government committed itself to the basic principles of the peace process as outlined by the

[1] *Official Records of the General Assembly, Sixty-second Session, Supplement No. 13* (A/62/13).

Quartet in January 2006. In response, the international community resumed direct contact and donor assistance to the Palestinian Authority. The Government of Israel also resumed transfers of tax revenues to the Palestinian Authority, and in July 2007 the Quartet appointed Tony Blair as its representative to support Palestinian Authority institution-building and economic revitalization.

6. Bilateral Palestinian-Israeli talks under the auspices of the United States of America resumed after the formation of the new Government. At the November 2007 conference in Annapolis, attended by over 40 States, the parties made a joint declaration, pledging to restart negotiations on core issues with the aim of reaching a peace treaty by the end of 2008, with implementation subject to achievement of the benchmarks of the first phase of the road map. The joint declaration also included a commitment to immediate implementation of road map obligations and to United States monitoring of performance.

7. For its part, Prime Minister Fayyad's Government began the development of the Palestinian Reform and Development Plan 2008-2010, outlining a vision for a future State. A summary of that Plan, prioritizing the strengthening of public institutions, local government and the justice system, was presented at a donors' conference in December 2007 in Paris. In keeping with progress in the area of fiscal and security sector reform, towards the end of 2007 Palestinian Authority security forces started deploying in West Bank towns to reassert Palestinian Authority control.

8. At the same time, throughout the course of the year, rocket attacks emanating from Gaza against Israeli targets and Israeli military incursions into Palestinian territory continued. Restrictions on movement and access in the West Bank remained tight, and settlement activity and construction of the barrier continued, despite a number of positive developments and agreements between the two parties on specific measures to ease the situation on the ground.

9. In January 2008 Palestinian militants breached the border with Egypt, and hundreds of thousands of Palestinians streamed into Egypt before the border was resealed 11 days later. A suicide bombing in early February in the Israeli town of Dimona killed one Israeli civilian, and on 6 March a shooting attack on a yeshiva in Jerusalem killed eight Israelis. At the end of February intensified rocket fire included the targeting by Palestinian militants of the Israeli port city of Ashkelon with Grad missiles, and Israeli military action left more than 100 Palestinians dead before violence abated slightly in March and April 2008.

B. Humanitarian and socio-economic context

Economic and fiscal developments

10. Following the significant economic contraction and severe fiscal crisis of 2006, Palestinian gross domestic product (GDP) per capita in 2006 ($1,130) had reached a level that was 40 per cent lower than in 1999. Over two thirds of the economy, once driven by private sector investment and production, continued to be sustained by government subsidies and donor aid.[2] The main factors behind this

[2] "Investing in Palestinian economic reform and development", report for Paris pledging conference, World Bank, December 2007.

economic downturn were political uncertainties, insecurity and, in particular, trade, mobility and employment restrictions, which have intensified markedly in recent years. The economy was also affected by a 15-month interruption of regular salary payments to some 150,000 employees of the Palestinian Authority, the largest employer in Gaza and the West Bank, during 2006 and the first half of 2007.

11. The appointment of a new Government under Prime Minister Fayyad in June 2007, and the subsequent resumption of full salary payments, led to a modest rebound in the second half of the year and strengthened private sector confidence. Revenue grew with increased economic activity in the West Bank, and expenditure control was tightened with the re-establishment of the single treasury account. However, despite improvements in the West Bank, drastic private sector decline in Gaza cancelled out any real GDP growth overall in 2007.

12. At the international donors' conference in Paris in December 2007, donors pledged $7.7 billion in financial support for the Palestinian Authority over three years. By April 2008, half of the pledges targeting recurrent expenditures had been disbursed, in addition to $500 million towards budgetary support. The Palestinian Authority reduced public sector employment and focused its efforts on moving towards further reform and fiscal stability. The Authority also made progress in establishing a series of public financial management reforms, including the formation of internal audit functions, a draft procurement law and timely publication of public financial information.

Humanitarian and socio-economic developments

13. Severe levels of violence continued throughout the reporting period. In all, 998 Palestinians (100 children) were killed and a further 4,150 injured (392 children). Close to 40 per cent of these deaths were the result of internal Palestinian factional fighting. Twenty-three Israelis (4 children) were killed by Palestinians and 347 injured (9 children). Militants in Gaza launched over 1,900 rockets and mortar shells on communities in Israel.

14. Despite large inflows of aid in both 2006 and 2007, socio-economic distress continued to permeate Palestinian society. At least 56 per cent of the population in the occupied Palestinian territory was living below the official poverty line during the reporting period. Thirty-four per cent were in a state of food insecurity, and unemployment levels had increased to nearly 23 per cent, double the rate prior to September 2000.[3] Young people were hit hardest by unemployment, with 36 per cent of 20- to 24-year-olds out of work. The economic crisis also affected the refugee population, many members of which have small amounts of accumulated savings, tend to have larger families, and lack access to land-based forms of subsistence.

15. A number of health indicators in the occupied Palestinian territory showed signs of deterioration. Ten per cent of children under the age of five suffered from stunting (chronic malnutrition), an increase over previous years.[4] The prevalence of chronic disease has increased by over 30 per cent since 2005, and recent figures from the Palestinian Authority's Ministry of Health indicate that 35 per cent of pregnant women and 65 per cent of children between the ages of 9 and 12 months

[3] Palestinian Central Bureau of Statistics labour force studies, 2008.

[4] 1996: 7.7 per cent; 2000: 8 per cent; 2004: 9.9 per cent.

attending Palestinian health centre facilities are anaemic.[5] United Nations studies in the past year point to a significant deterioration in students' academic achievements, particularly in Gaza, where 80 per cent failure rates in mathematics and 40 per cent failure rates in Arabic have been noted and dropout rates have increased for both male and female students.

Gaza

16. The situation in the Gaza Strip continued to deteriorate throughout the reporting period. Under near total closure, living conditions and livelihoods plummeted to new depths. Some 95 per cent of Gaza's industrial operations were suspended, transforming it into a consumer economy driven by public sector salaries and humanitarian assistance. The percentage of Gaza's population living in deep poverty[6] has been steadily increasing, rising from 21.6 per cent in 1998 to nearly 35 per cent in 2006. With continued economic fallout in 2007 and even stricter closures, the current rate is expected to be much higher. Thirty-three per cent of Gazans are unemployed and 80 per cent rely on United Nations food and other direct assistance.

17. In October 2007 the Government of Israel began decreasing the amount of fuel permitted into Gaza, including amounts overseen by the temporary international mechanism to ensure supplies to the power plant, health facilities and water and sanitation installations. Strikes conducted by fuel distributors inside the strip, in protest of these restrictions, further exacerbated the situation, as did an attack on the Nahal Oz fuel crossing by Palestinian militants in April 2008, which killed two Israeli contractors and led to a suspension of supplies.

18. The efficiency of water networks deteriorated from 70 per cent in June 2007 to 55 per cent in February 2008, owing to a lack of spare parts and materials. From January 2008 onwards, 40 million litres of raw and partially treated sewage per day were emptied into the sea. Increased inefficiency of public health-care administration and management, intermittent strikes and a lack of specialized equipment and maintenance strained health-care delivery, forcing twice the number of patients to seek permits for treatment outside Gaza as did prior to June 2007.

Movement and access

19. Targets relating to the 2005 agreement on movement and access were effectively abandoned following the June 2007 takeover of the Gaza Strip by Hamas. Since then, the Rafah crossing has been closed, with few exceptions. In January 2008, Gaza militants forcibly breached the border and Palestinians crossed between Gaza and Egypt for 11 days. In March 2008, some 300 medical patients were allowed into Egypt.

20. Commercial crossings into Israel (Karni, Kerem Shalom and Sufa) were open for importing international humanitarian and limited commercial goods. However, by March 2008 restrictions had resulted in a 77 per cent decline in the monthly average of imported truckloads from pre-June 2007 rates. All exports out of Gaza

[5] Palestinian Family Health Survey, 2006, and Ministry of Health nutrition surveillance system, 2006.

[6] Defined by the Palestinian Central Bureau of Statistics as a budget of 1,837 new Israeli shekels for a family of six for food, clothing and housing only.

were blocked, with the exception of 78 truckloads largely filled with flowers and strawberries, grown with the support of donor assistance and after intervention by the international community, in late 2007. The Erez crossing remained closed for Palestinians during the same period, except for medical cases and a small number of merchants.

21. There was no progress on construction of a seaport or airport, or on the establishment of a link between the West Bank and Gaza, as envisaged in the agreement on movement and access. In April 2008 the Government of Israel announced its intention to remove 61 roadblocks in the West Bank, a trust-building gesture welcomed by the international community. The Office for the Coordination of Humanitarian Affairs subsequently determined that the removal of five of the obstacles would have a significant impact on movement in the West Bank. The number of remaining obstacles to movement in the West Bank currently stands at 612. Movement into urban East Jerusalem through the barrier became more restricted with the implementation of new permit and identification procedures. In the past three years the number of crossing points through the barrier has steadily decreased. By April 2008 two thirds of these crossings were closed to West Bank residents. The difficulty of obtaining a permit to enter Jerusalem has resulted in a decrease of as much as 50 per cent in the number of patients visiting the six specialist hospitals in East Jerusalem over the past several years.[7]

Barrier

22. Barrier construction continued despite the advisory opinion rendered by the International Court of Justice in July 2004 and General Assembly resolution ES-10/17 of 15 December 2006. As of April 2008, approximately 57 per cent (723 km) of the planned route of the barrier was completed. Nearly 250,000 Palestinians will reside in villages and towns totally or partially surrounded by the barrier if it is completed, and some 25 per cent of East Jerusalem's Palestinians will be cut off from the city.

23. By its resolution ES-10/17, the General Assembly also established the United Nations Register of Damage Caused by the Construction of the Wall in the Occupied Palestinian Territory. Progress was made when the Executive Director of the Register of Damage went on an initial mission to the area in April 2008, meeting with Palestinian Authority and United Nations officials, as well as other key actors.

III. United Nations response

24. United Nations agencies and programmes continued to discharge their responsibilities to the best of their abilities, but had to adjust to a situation in which priorities and activities with respect to the Gaza Strip and the West Bank diverged significantly under the impact of the de facto political split between the two constituent parts of the occupied Palestinian territory. With regard to Gaza, United Nations agencies and programmes continued to face severe restrictions and obstacles that made the delivery of United Nations assistance more urgent, but also more difficult. With the appointment of a new Palestinian Authority Government in

[7] "East Jerusalem: the humanitarian impact of the West Bank barrier", Office for the Coordination of Humanitarian Affairs, July 2007.

June 2007 and work on the Palestinian Reform and Development Plan, United Nations agencies and programmes have sought to place particular emphasis on restoring their close coordination with Palestinian Authority counterparts in the West Bank and to support the priorities and needs identified by the Palestinian Authority's Plan.

A. Human and social development

25. Emergency and life-sustaining interventions continued to take priority over development cooperation activities in the reporting period, especially in the Gaza Strip. In the West Bank, United Nations agencies and programmes were increasingly able to refocus some of their attention on longer-term economic, infrastructure, capacity-building and service delivery interventions, and the United Nations sought to increasingly align its programmes with the reform agenda set out by the Palestinian Authority in the Palestinian Reform and Development Plan.

Education

26. UNRWA, with a $146 million education programme, continued to ensure free education for over 250,000 pupils in 306 elementary and preparatory schools in the West Bank and Gaza. Through its network of vocational, technical and teacher-training centres, UNRWA also provided skills and pre-service teacher training to 3,400 trainees in 2007. In Gaza, a recovery plan was introduced to provide focused and intensive support to 50,000 pupils in UNRWA schools.

27. Through its $7 million Support to the Palestinian Education Programme, implemented in cooperation with the Ministry of Education and Higher Education, the United Nations Development Programme (UNDP) Programme of Assistance to the Palestinian People worked to improve the quality of and access to education in the occupied Palestinian territory. Five new schools were constructed in the West Bank and Gaza and 10 buildings rehabilitated, creating 1,880 new seats for students. The Programme also provided equipment, computer labs, libraries and other teaching aids to 190 schools, benefiting over 5,000 students.

28. The United Nations Educational, Scientific and Cultural Organization (UNESCO) provided technical assistance for the Ministry of Education and Higher Education sectoral policy and planning efforts, supporting the preparation of the five-year Education Development Strategic Plan (2008-2012) and a National Teacher Education Strategy, both of which reflected educational priorities identified in the Palestinian Reform and Development Plan. The United Nations Children's Fund (UNICEF), with education and adolescent programme expenditures of $6.1 million, provided technical and financial assistance to build capacity, support the establishment of subnational teacher-training centres in disadvantaged districts and provide equipment for the National Institute for Teacher Education in Ramallah and Gaza. A report on key strategies for scaling up girls' education was prepared in collaboration with UNESCO as a follow-up to the United Nations Girls' Education Initiative. The development of a student card system was also provided to strengthen the education management information system.

29. UNICEF further supported informal learning and recreational activities for adolescents to improve literacy and vocational skills; implemented short-term training for teachers and school administrators; organized thematic club activities

designed to alleviate trauma; provided educational supplies to schools in Gaza; and supported both the Ministry of Education and Higher Education and the Palestinian Red Crescent Society in conducting mine-awareness training in high-risk areas. The Office of the United Nations High Commissioner for Human Rights (OHCHR), the Ministry of Education and Higher Education, and the Palestinian Independent Commission for Citizens' Rights cooperated to facilitate a short-story competition on the implications of poverty and human rights for elementary and secondary-school students. The United Nations Population Fund (UNFPA), together with the Ministry, developed a national referral system for youth-friendly services. UNFPA also continued to build the capacity of teachers, counsellors, health staff and school health committee coordinators for in-school information and counselling activities.

Health

30. UNRWA continued to operate 56 health facilities providing primary health care at a cost of $40 million. With an 18 per cent increase in demand from the 2006 level, UNRWA medical staff carried out nearly 6 million consultations in these facilities. The agency also supported environmental health projects in Gaza through the delivery of diesel to providers of basic utility services such as water, sewage pumping and solid waste collection and disposal.

31. In the preparation of the Palestinian Reform and Development Plan and of the National Strategic Health Plan 2008-2010, the World Health Organization (WHO) provided technical expertise to the Ministry of Health, training staff in the areas of child nutrition, safe water, hygiene, outbreaks and epidemics, and control and prevention of non-communicable diseases. WHO supported the Ministry as technical adviser of the Health Sector Working Group, focusing on strengthening the Palestinian Health Information Centre and ensuring quality collection, analysis and dissemination of data. WHO also supported the mental health sector through training, establishing family groups in both the West Bank and Gaza, and strengthening the Ministry's referral and information systems.

32. WHO further supported the Ministry of Health in procuring and delivering essential pharmaceutical supplies worth $18 million, substantially improving drug availability in the West Bank and Gaza. Drug items lacking at the central level in Gaza dropped by 43 per cent between May 2007 and September 2007. The amount of essential drugs at less than one month of stock for the occupied Palestinian territory as a whole dropped by nearly half during the same period. WHO also continued its efforts in promoting health as a human right and as a bridge for peace through advocacy and dialogue, facilitating a symposium on Gaza involving Israeli and Palestinian stakeholders, which was followed by an Israeli-Palestinian joint forum on access to health in Gaza.

33. A number of United Nations agencies and programmes dedicated some of their resources to issues related to HIV/AIDS. The United Nations Development Fund for Women (UNIFEM) focused on women's and girls' vulnerability to sexually transmitted diseases, conducting intensive awareness training on issues of gender and HIV/AIDS. UNFPA worked on strengthening the National AIDS Committee to spearhead and guide the response to HIV/AIDS in the West Bank and Gaza; it also focused on national capacity-building in the areas of reproductive health, population, gender and psychosocial care. UNFPA sought to make reproductive

health services accessible to all through the provision of emergency obstetric care and outreach services to isolated communities.

34. UNICEF concentrated its efforts on reducing child mortality, helping the occupied Palestinian territory achieve the fourth Millennium Development Goal, with a sustained under-five mortality rate of 28.3 per 1,000 live births, well below the Middle East regional average of 56 per 1,000. The provision of primary health care and childhood drugs, along with essential obstetric and neonatal equipment, to 17 primary health facilities and referral hospitals contributed to a 30 per cent reduction in newborn infections and birth asphyxia between 2006 and 2007. The cold-chain system was strengthened and capacity expanded with the provision of a mobile cold-chain vehicle, a 10,000 cubic-metre fuel storage tank and a 40 cubic-metre walk-in cold room. An immunization coverage rate of more than 95 per cent for all antigens was sustained for the fifth year running, setting the occupied Palestinian territory on track for eradicating poliomyelitis, as well as eliminating measles and tetanus.

Targeted social assistance

35. Through its Special Hardship Case Programme, UNRWA distributed food and cash subsidies on a quarterly basis. During the reporting period, nearly 500,000 social safety-net packages were distributed to over 10,000 families in the West Bank and over 19,000 in Gaza. UNRWA focused on mainstreaming people with disabilities into the various programmes, in addition to rendering rehabilitation sessions for disabled people and providing mobility and prosthetic devices.

Human rights, women, children and youth

36. Human rights and the rights of women, children and the young continued to suffer many challenges. During the reporting period, OHCHR continued implementing its programme of mainstreaming human rights within the United Nations country team. In July, a familiarization session on the rights of persons with disabilities was organized in partnership with UNICEF. OHCHR also implemented six familiarization training and two train-the-trainer courses on United Nations mechanisms to protect human rights for an audience of human rights defenders, legal professional and women's rights activists.

37. UNESCO promoted freedom of expression, in particular professional and ethical standards in journalism, as well as institutional capacity development for Palestinian public and private media organizations so as to strengthen the independence and pluralism of the media. Given the context of increased violence and tension in Gaza, a safety training programme for media professionals was also conducted.

38. UNIFEM focused its activities on documenting and advocating against abuses of Palestinian women's human rights; providing forums for discussion; supporting toll-free help lines operated by qualified counsellors; and promoting legal literacy and aid for rural women. The agency supported a programme of legal aid and health assistance to Palestinian female prisoners in Israeli detention. UNIFEM focused on the mobilization of 18 community-based women's centres in rural areas, directly benefiting 25,000 women. UNFPA, together with its national partners, complemented these activities by working towards creating community-based initiatives that enable women to protect themselves from gender-based violence. Its

activities in that regard included a national conference on combating gender-based violence in cooperation with the Ministry of Women's Affairs. UNFPA arranged training and psychosocial services provided at mobile health clinics, community sessions on gender-based violence, campaigns and the distribution of information materials and female hygiene kits.

39. UNRWA supported a number of community-based organizations in activities promoting the role of women in development, including through skills training, awareness-raising lectures and the provision of legal aid. UNRWA also began implementation of its Equality in Action initiative, designed to improve the capacity of Palestinian women and girls to exercise freedom of choice and take advantage of opportunities for personal and professional development, and to address inequality at all levels of social, economic, and political life. UNRWA, UNIFEM, UNFPA and OHCHR marked the International Day for the Elimination of Violence against Women as part of the global campaign, in cooperation with civil society organizations and the Ministry of Women's Affairs.

40. A gender adviser was deployed through the Inter-Agency Standing Committee Gender Capacity Standby Project to make recommendations to humanitarian agencies on improving humanitarian assistance to Palestinian women. This mission was supported by the Office for the Coordination of Humanitarian Affairs, with assistance from UNFPA and UNIFEM. The World Food Programme (WFP) targeted food delivery to women wherever possible and also provided human rights training within its food-for-training initiative in the Gaza Strip.

41. UNESCO, UNIFEM and UNFPA supported the Palestinian Women's Research and Documentation Centre, enabling research on the history and current status of women in Palestinian society. Training courses in gender-sensitive research, analysis and planning were organized for staff in relevant central and line ministries.

42. As children continued to be exposed to both conflict-related and domestic violence, UNICEF supported the Ministry of Social Affairs to establish three district-level child protection networks providing multidisciplinary support and management of cases of children subject to abuse. UNICEF also continued supporting five socio-legal defence centres for children and families that were victims of violence. The agency supported the Ministry of Education and Higher Education in the development of a non-violence policy and a protocol for the detection of abuse and referral of cases of schoolchildren to be adopted as a national system. UNICEF provided support to 14 psychosocial teams, reaching over 50,000 children and adolescents, and provided training to 35,000 caregivers. The agency supported 15 child-led campaigns to promote non-violence and to raise awareness on child protection as a priority issue at the district and national levels.

43. UNFPA continued to build the capacity of teachers, counsellors, health staff and health committee coordinators for in-school information and counselling activities. The agency worked with over 80 youth non-governmental organizations (NGOs) on strengthening and expanding a peer educators' network in the West Bank and Gaza. UNFPA also provided technical and financial support to governmental and non-governmental organizations for projects to strengthen psychosocial services to young people and generate economic opportunities for young university graduates in psychosocial counselling. In 2007 UNFPA formed and chaired a United Nations thematic group on youth to strengthen coordination among United Nations agencies

working with Palestinian youth and further worked on operationalizing the provisions of Security Council resolution 1325 (2000).

44. UNRWA, in partnership with UNICEF and other local and international organizations, provided thousands of refugee children and youths with training, tutoring and skills-building activities. UNIFEM supported the Youth Rights Monitor project, funded through the United Nations Democracy Fund, aimed at institutionalizing the participation of Palestinian youth in national public policy dialogue, with a special focus on the rights of Palestinian youth.

Millennium Development Goals

45. United Nations engagement continued in support of the achievement of the Millennium Development Goals in the occupied Palestinian territory. ESCWA worked with national statistical offices, including the Palestinian Central Bureau of Statistics, to enhance their capacity to maintain a central repository of data for Millennium Development Goal reporting. ESCWA also provided training on the use of data and indicators relating to the Goals in order to improve evidence-based management and advocacy.

46. United Nations agencies collaborated closely with the Palestinian Authority to develop joint proposals under several thematic windows of the UNDP/Spain Millennium Development Goal Achievement Fund. As of April 2008, two of these proposals had been accepted. Under the culture and development window, UNESCO, UNIFEM, the UNDP Programme of Assistance to the Palestinian People and the Food and Agricultural Organization of the United Nations (FAO) developed a programme supporting policies and an enabling environment for the promotion and protection of cultural heritage. Under the gender and women's empowerment window, UNIFEM, the UNDP Programme of Assistance, UNFPA, UNESCO, UNRWA and the International Labour Organization will be implementing a programme addressing gender-based violence and women's economic and political participation.

Environment

47. The majority of projects implemented by the UNDP Programme of Assistance to the Palestinian People in the environment sector were water and wastewater infrastructure projects, worth over $4 million. UNICEF, in partnership with government authorities, donors and NGOs, also worked to prevent outbreaks of disease by expanding access to safe drinking water and adequate sanitation facilities at schools, hospitals and poorly served communities. As a result, access for vulnerable communities has increased by approximately 50 per cent, reaching an estimated population of more than 265,000 people in the West Bank and Gaza. There were no reported water-related disease outbreaks during the reporting period.

B. United Nations system support for Palestinian institutions

48. Palestinian public institutions in the West Bank experienced a revitalization once the Government of Prime Minister Fayyad was appointed. Considerable emphasis was placed on continued institutional reform and capacity-building, which is the focus of the Palestinian Reform and Development Plan and of international donor engagement and support. During the reporting period the UNDP Programme

of Assistance to the Palestinian People worked to enhance the development of efficient and accountable institutions at the local, regional and national levels, addressing the priorities of the three branches of government, namely, the executive, the legislature and the judiciary. The Programme of Assistance also helped strengthen the relationship between the Government and civil society organizations, the private sector and the media. It supported the effort to strengthen governing institutions and central ministries, including the President's Office, the Prime Minister's Office, the Ministry of Foreign Affairs, the Ministry of Planning, the Ministry of Finance and the General Personnel Council. The Programme of Assistance also initiated cooperation with the Palestinian Authority towards establishing a capacity development facility, in line with the programme objectives of the Palestinian Reform and Development Plan. The Palestinian Authority has further requested the UNDP Programme of Assistance to support the elaboration of a national capacity development programme, which would include such a facility as a central supportive element.

49. ESCWA launched a capacity-building project aimed at enhancing the capacities of governmental and civil society institutions in planning, implementing and monitoring more effective and impact-based development projects. Programme activities fostered knowledge in social participatory development approaches and identified models to strengthen the public sector-civil society partnership in social policy processes. ESCWA also launched a project focusing on participatory human development in post-conflict countries, strengthening governmental-civic partnerships in conflict-afflicted ESCWA member countries, including the occupied Palestinian territory.

50. UNFPA and UNICEF provided technical and financial assistance and training to the Palestinian Central Bureau of Statistics to conduct the second population, housing and establishment census. Support was provided for the development of databases for monitoring progress towards Millennium Development Goals. The Ministry of Planning also received support from UNICEF to review progress and update the National Plan of Action for Palestinian Children (2004-2010). OHCHR facilitated training and capacity-building initiatives with the Palestinian Independent Commission for Citizens' Rights, aimed at strengthening its independence and improving compliance with international human rights standards. FAO gave technical assistance to coordination mechanisms within the Palestinian Authority to improve humanitarian, recovery and development interventions. Through this support, a comprehensive Palestinian socio-economic and food security monitoring system was established. The three-year, $3.3 million project of the United Nations Conference on Trade and Development (UNCTAD) to strengthen the capacity of Palestinian customs and border management continued, with the aim of establishing national ownership and technical self-sufficiency of the Automated System for Customs Data.

C. United Nations system private sector development

51. The private sector has been affected severely by the economic crisis in the occupied Palestinian territory. In Gaza, in particular, the private sector has been paralysed. Against this background, United Nations assistance for private sector development was limited during the reporting period.

52. The UNRWA microfinance programme provided a variety of financial services from its network of nine branch offices in the occupied Palestinian territory. The programme financed 10,000 loans (67 per cent of all loans provided by the microfinance sector) to Palestinian microenterprises and households, with an investment of over $13.29 million. In its efforts to support the private sector, UNCTAD also achieved steady progress in the implementation of a project aimed at establishing a Palestinian shippers' council, which provided a concrete contribution to fostering public-private partnerships and served to facilitate trade and reduce transaction costs.

D. United Nations system emergency assistance

53. The ongoing emergency in the occupied Palestinian territory continued throughout the reporting period and intensified in the Gaza Strip after Hamas took over the area in June 2007. A comprehensive closure halted all exports and severely limited imports, including of basic necessities and fuel. United Nations agencies and programmes were confronted with ever more difficult access and movement restrictions, while facing increased demand and urgent needs for their emergency provisions. In the West Bank, work on the Palestinian Reform and Development Plan under Prime Minister Fayyad's new Government allowed for a partial refocusing on longer-term development activities, but emergency assistance was still necessary and played a large part in the engagement of the United Nations system.

Emergency food and agriculture support

54. During the reporting period, UNRWA continued operating its emergency programme to supplement assistance to reach the growing numbers of refugees in critical need. In 2007, UNRWA received $142 million in emergency funding for the occupied Palestinian territory, representing 58 per cent of budgeted needs. Emergency funding supported the provision of emergency food aid to about 60 per cent of the total registered refugee population of Gaza and West Bank. WFP delivered 35,447.5 metric tons of emergency food aid to approximately 270,000 of the poorest Palestinians not supported by UNRWA, meeting 100 per cent of their basic food needs. In addition, the agency worked with the Ministry of Agriculture to protect the livelihoods of 3,500 poor farmers in the West Bank and 2,350 in Gaza, providing training in agricultural techniques and home-gardening activities with a food-package incentive. Based on a joint pilot initiative with WFP, UNIFEM supported women's centres in the production of daily school snacks, directly benefiting thousands of children. In the Gaza Strip, UNIFEM piloted a school feeding initiative in a refugee camp.

55. FAO, together with the Ministry of Agriculture and other partners, implemented a total of 19 projects focusing on the recovery of crop and animal production, the introduction of aquaculture, support for backyard farming, gardening and cottage industries for women, and emergency assistance for preparedness and response to avian influenza outbreaks. FAO also assisted in technical training in agricultural production and marketing, irrigation and greenhouse rehabilitation, land reclamation, water resource management and the improvement of livestock production, crops and orchards.

Emergency employment support

56. Unemployment continued to pose major challenges, in particular in Gaza. During the reporting period, UNRWA, as part of its emergency job creation programme, employed over 60,000 persons in a range of skilled, unskilled and professional positions. Approximately 30 per cent of all jobholders in the programme were women. UNRWA also expanded its graduate training programme, an initiative that placed recent graduates in posts according to their fields of study. Approximately 4,000 teachers, remedial education workers and support staff were recruited in Gaza to implement special programmes benefiting 200,000 children and youth. In the West Bank, the programme provided up to 6,000 positions each month.

57. WFP employed 33,073 non-refugees in food-for-work activities, 11,380 of them in the Gaza Strip. WFP also employed 1,992 women to bake for school feeding programmes through 30 women's centres in the West Bank. A special employment programme was set up in Gaza to support unpaid municipal workers to continue garbage collection in return for food.

Emergency health support

58. In order to meet emergency health challenges, UNRWA mobile teams continued to assist communities isolated by the barrier and other restrictions on movements through regular visits and the provision of basic health assistance. In partnership with the Ministry of Health, WHO and other partners, UNICEF worked towards preventing disease and mortality among children and improving nutritional conditions. It focused efforts on maternal and newborn care and micronutrient supplementation support for young children and women in a bid to eliminate micronutrient deficiencies, and improved data quality through strengthening the nutrition surveillance system. UNFPA continued to support the Ministry and major health NGOs by providing reproductive health commodities, including essential drugs, disposables and equipment.

59. WFP distributed 225 metric tons of food commodities to Ministry of Health hospitals in the Gaza Strip in order to meet nutritional needs of patients undergoing treatment. The emergency health support of UNIFEM focused on psychosocial counselling, benefiting thousands of women through awareness-raising activities, psychosocial consultations, specialized therapy and training.

Emergency education support

60. In the context of severe conditions in Gaza, with significant deterioration in students' academic achievements owing to class hours lost because of violence and conflict, emergency education support was an important area of engagement for the United Nations. UNRWA implemented summer remedial education classes to help children pass their exams, hired an additional 1,650 support teachers under the job creation programme to help children in grades two, three and four, reduced class sizes for boys and focused the reduced teaching time available on the core subjects of Arabic and mathematics.

61. Beyond Gaza, UNICEF, in cooperation with the Ministry of Education and Higher Education, focused on improving enrolment and achievement, ensuring equity in terms of gender, geographical location and special needs. Approximately 7,000 teachers and education administrators were trained on the child-friendly

school concept, and remedial text books, school supplies and uniforms were supplied to over 6,000 pupils in targeted areas. Some 300 schools received supplies of interactive mathematics and science teaching kits, recreation kits or emergency education material. The agency established four teacher education centres, in Hebron, Tulkarem, Jenin and Nablus districts, providing in-service training to at least 2,500 teachers. Ninety new schools with over 15,000 students and teachers benefited from the implementation of child-friendly school project activities. The total number of child-friendly schools is now 190. The UNDP Programme of Assistance to the Palestinian People repaired infrastructure in 100 child-friendly schools in collaboration with UNICEF. UNIFEM conducted a pilot academic counselling initiative, targeting rural girls and women. Finally, WFP implemented a pilot school feeding programme in the West Bank, reaching 57,455 children.

Emergency infrastructure support

62. Infrastructure projects in Gaza were severely affected by the continued closure of the crossings. Because of the closure, raw materials became unavailable, and UNRWA had to suspend infrastructure and reconstruction projects valued at an estimated $93 million. However, UNRWA continued to do repairs for and re-house refugees whose homes had been damaged or destroyed by Israeli military operations. During 2007 1,221 shelters were repaired in Gaza at a total cost of $1.4 million, and a total of $3.2 million in relocation fees was provided to 2,000 families whose homes had been destroyed or damaged.

Coordination of United Nations assistance

63. The Office of the United Nations Special Coordinator continued its coordination of United Nations assistance to the Palestinian people and its representation of the United Nations system at donor forums. In this capacity, it participated in the September 2007 and May 2008 meetings of the Ad Hoc Liaison Committee. Locally, the Office convened regular coordination meetings of United Nations agencies and programmes and intensified its engagement with the United Nations country team through the work of the Deputy Special Coordinator and Resident/Humanitarian Coordinator. Following the appointment of Quartet representative Blair in July 2007, the Office of the Special Coordinator also served as a liaison between Mr. Blair's office and the United Nations system.

64. Despite a number of positive developments during the reporting period, movement and access restrictions in the West Bank limited the impact of development initiatives aimed at reviving a depreciating economy. In spite of these challenges, the United Nations country team readied itself to begin exploring comprehensive development strategies with an internationally recognized Palestinian Authority. The Office of the Deputy Special Coordinator and Resident/Humanitarian Coordinator hosted the United Nations country team's first Resident Coordinator's retreat in January 2008, during which strategic operational objectives, in support of the Palestinian Reform and Development Plan, were agreed on, providing the basis for a common United Nations country team medium-term response to the Palestinian Authority's objectives over the next three years. Under the leadership of the Deputy Special Coordinator and Resident/Humanitarian Coordinator, a joint United Nations transitional plan was also under preparation, which would coherently organize the support of the United Nations agencies for the

Palestinian Authority's reform and development efforts, and simultaneously cater for humanitarian assistance wherever needed.

65. Gaza, meanwhile, remained almost entirely reliant on humanitarian assistance. Thus, while the United Nations began refocusing on development efforts in the West Bank, it still prepared the third-highest consolidated appeal figure in the world.

66. The Office for the Coordination of Humanitarian Affairs continued humanitarian coordination through the 2008 consolidated appeal and through its ongoing collection of data and reporting on closures, violence and other issues. With field offices throughout the occupied Palestinian territory, the Office for the Coordination of Humanitarian Affairs identified programming gaps, published monthly reports monitoring humanitarian indicators and facilitated NGO projects through the Humanitarian and Emergency Response Fund.

Humanitarian access

67. Measures of closure and other restrictions on access and movement imposed by the Government of Israel continued to severely hamper United Nations programme implementation throughout the occupied Palestinian territory. Movement restrictions placed on United Nations humanitarian personnel, covered by the United Nations privileges and immunities, meant lost working hours, with staff frequently unable to travel between Jerusalem and the West Bank and Gaza. Between October 2007 and March 2008, a total of 373 incidents of delayed or denied access for humanitarian personnel were documented, up 50 per cent from the previous six months.

68. The closure of the Karni crossing resulted in the interruption of some $213 million in United Nations and World Bank infrastructure and employment programmes in the Gaza Strip. Restrictions on and delays in the transit of humanitarian goods from Israeli ports to warehousing and distribution points in Gaza and the West Bank added over $7 million in programme costs.

United Nations media and public information activities

69. The Office of the United Nations Special Coordinator continued to chair the United Nations country team's Advocacy and Public Information Committee, which coordinates public information activities of agencies and programmes operating in the occupied Palestinian territory. The Committee contributed to coordinating inter-agency statements prepared on behalf of the United Nations country team by the Special Coordinator and to the launch of the consolidated appeal.

IV. Donor response to the crisis

Budget and fiscal support

70. Following the formation of a new Government in the Palestinian Authority and the resumption of political negotiations between the parties, the international donors' conference in Paris saw significant levels of aid pledged. Yet, while the $7.7 billion in pledges significantly exceeded the requirements outlined in the Palestinian Reform and Development Plan for 2008-2010, their specific distribution (proportions for recurrent budget, public investment and humanitarian assistance)

had yet to be resolved at the time of writing. Donors pledged only $1.1 billion in recurrent budget support for 2008, $972 million in investment support and $651 million in humanitarian assistance. Thus, it appeared that there would be a need to convert some of the development funds pledged to cover shortfalls in the other areas.

71. The international community responded to the needs of the Palestinian Authority by providing flexible mechanisms for support for recurrent expenditures. The European Commission transformed the temporary international mechanism into the Palestinian-European aid mechanism, which provided a budget-support window and direct support for social protection, governance, infrastructure and social development. The World Bank also launched a Palestinian Reform and Development Plan Trust Fund to provide unearmarked support in the context of the policy agenda of that Plan.

Support for Palestinian reform

72. The Government under Prime Minister Fayyad took impressive reform measures in public finance management despite a precarious political and security environment. Cash control procedures were reinstated and a new accounting system launched, enabling regular fiscal reporting. In addition, a General Accounting Department was established and the Ministry of Finance launched a website containing the Palestinian Authority's budget, with plans to include monthly fiscal reports in the near future.

73. A mission of the International Monetary Fund took note of these positive developments, but also encouraged the Government to further consolidate progress in the Palestinian Authority's public financial management system. Other steps taken by the Government to improve fiscal sustainability included the containment of the wage bill and a decrease in net lending for utilities. The Palestinian Authority also began to strengthen its social protection framework by merging various ongoing cash-assistance programmes using a poverty-targeting database to confirm household eligibility.

Donor coordination

74. Aid coordination structures of the Local Development Forum were largely dormant during 2006 and the first half of 2007 because of donor contact policies towards the Hamas-led Palestinian Authority and later the national unity Government. The situation changed in June 2007 when President Abbas appointed a new Government under Prime Minister Fayyad. Donors responded by re-establishing contact with the Palestinian Authority at all levels. The Palestinian Authority initiated a medium-term development and budgeting process, and the aid coordination forums that had been agreed to at the end of 2005 were revived. A meeting of the Ad Hoc Liaison Committee took place in New York in September 2007, the first of its kind in 20 months, followed by another such meeting in London in May 2008.

75. Regular Local Development Forum meetings were held in the Prime Minister's office, re-establishing the forum as a venue for preparation of the international donors' conference in Paris and emphasizing the Palestinian Authority's ownership of the coordination structures. The work of the strategy groups shifted from general information-sharing to supporting the Palestinian Authority's development policies.

Donor feedback on the summary of the Palestinian Reform and Development Plan was consolidated through the Local Aid Coordination Secretariat. New sector working groups were initiated, all chaired by a Palestinian Authority line ministry or agency and co-chaired by a donor.

V. Challenges ahead

76. The reporting period was marked by an escalation in the conflict, political and funding uncertainties and new beginnings in development and reform. The conflict remains the single most significant challenge to economic revival and viability in the occupied Palestinian territory, and its final settlement must be a key priority for international engagement.

77. At the same time, the situation on the ground must improve, not least as an enabling measure for a successful political process and the implementation of any peace agreement. Restrictions on Palestinian movement must be eased and the continued division among Palestinians resolved for there to be any immediate, appreciable improvement on the ground. Humanitarian assistance will continue over the coming year, particularly in Gaza. Challenges involved in the movement of humanitarian staff and goods require effective, secure solutions to be found, with the support of both parties and the international community. Specific challenges related to the implementation of programmes in Gaza will also arise in the coming months. Again, all actors must search for new ways to respond effectively to the needs of the population.

78. Despite the ongoing uncertainties, the Palestinian Authority made notable progress in medium- and long-term strategic planning, through its presentation of a budgeted Palestinian Reform and Development Plan. This achievement challenges the United Nations and the wider international community to increase the predictability of funding and programming in 2008 and to ensure that their own programming meets the objectives identified in that Plan. Changing trends in donor funding and the rising costs of commodities also require humanitarian programming to be delivered more efficiently, coordinated more rigorously and targeted in a more focused manner. At the same time, the United Nations must be ready to support Palestinian Authority development goals. The process of establishing shared strategic objectives for United Nations programming, begun early in 2008, will need to translate into a common United Nations programmatic response to the Palestinian Reform and Development Plan.

VI. Conclusion

79. The period under review was volatile and difficult. The political terrain shifted, with a corresponding significant degradation in the quality of life for the population in Gaza. Agencies were compelled to deliver increasing emergency and humanitarian assistance to a population that is otherwise ready for and in need of longer-term development programming. They will continue to do so. At the same time, the United Nations country team is prepared to offer its full support both to the Palestinian Authority, in its efforts to implement its Reform and Development Plan, and to the many Palestinians whose livelihoods and communities have been severely disrupted in these years of conflict.

80. While the coming year promises to be no less challenging, new opportunities could emerge with the implementation of commitments from both parties. Negotiations could bring new approaches and solutions to reach the broader aim of the United Nations, the Quartet and the entire international community to realize a just, lasting and comprehensive peace in the Middle East based on Security Council resolutions 242 (1967), 338 (1973), 1397 (2002) and 1515 (2003), and the establishment of a sovereign, democratic, viable and contiguous Palestinian State, existing side by side in peace with a secure Israel.